



Service Parts Operations

DATE: November 2, 1994

TO: J. Harrison - Nummi, D. Jentgens - SPO,
D. Mishler - SPO, C. Moss - SPO,
P. Vardaman - SPO

FROM: D. W. Hanson - SPO

RE: Meeting Minutes from Nummi Tooling Meeting on
10-18-94

CC: T. Albee, C. Mack, J. Nowak, D. Shaw

On 10/18/94 a meeting was held in Flint to discuss issues regarding Nummi owned tooling both on site and at North American Suppliers. Attached is diagram of the location and purchase price for the tools for the 1989 - 1992 design parts which served as a starting point for the discussion. The following agreements were made:

- SPO will pay 7% tool user fee on all licensed parts which includes parts manufactured at both Nummi and other N. American suppliers
- This user fee is based on the cost of dealer sales and will be paid on a quarterly basis *material price * 1.5*
- This user fee will be based on the same sales that are used to pay the 3% royalty to Toyota
- Payments will be made at the same time the royalty payment is made to Toyota
- The first payment will be made based on 1994 fourth quarter sales and will continue through the calendar year 1995
- The payout cannot exceed \$130,000 per quarter. (This cap was added in case parts are added to the sales base that were not be considered at this meeting).
- This tool user fee will be reevaluated at the end of 1995
- SPO will agree to review medium volume parts for annual purchases and low volume parts for lifetime purchases. A follow up meeting will be held at Nummi on 11/17/94 to develop a plan by part number.
- SPO will also look for opportunities to resource parts subject to capacity and price considerations. The costs of die storage will also be investigated.

Post-It [®] Fax Note 7671		Date	# of pages
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NUMMI Tooling Fee Memo
Between NUMMI & GM
Origination Date: 11/2/1994

Memo To:

J. Harrison – NUMMI
D. Jentgens – SPO
D. Mishler – SPO
C. Moss – SPO
P. Vardaman - SPO

Purpose: Meeting Minutes from NUMMI Tooling Meeting on 10/18/94:

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